GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:844
ANSWERED ON:19.07.2002
NECESSARY GOODS STATUS TO MOBILE PHONES
KAMBALAPADU E. KRISHNAMURTHY

Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal to consider mobile phones as necessary goods in the present scenario and to remove restrictions like filing of income tax return;

(b) if so, the details thereof; and

(c) if not, the reasons therefore?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a): No Sir. Finance Act, 2002 has substituted the economic criterion of subscription to a telephone under `one-by- six scheme` with subscription to a cellular telephone not being a wireless in local loop. Therefore, a subscriber to a cellular telephone is compulsorily required to furnish a return of income under the provision of first proviso to section 139(1) of the Income-tax Act, 1961 (one-by-six scheme).

(b): In view of above, does not arise.

(c): Subscription to a cellular telephone is considered to be an economic indicator to identify potential taxpayers.